



[Music]

Tom Kelley:

Those of you who apply your design and business talents within a larger organization know that it's pretty rare to have the chance to really build something from scratch. For example, if you get a great design offer from a place like Apple or Google or Facebook, I'd encourage you to take it, as I said yesterday. But you'd be doing so with the full knowledge that you're diving into a stream that's already flowing pretty swiftly. But once you join in you can influence the output, you can influence the process, even the culture, but it was already well underway before you joined. This next speaker, Chris Hacker, however, has had the chance to build new design teams essentially from scratch four different times at well respected companies like Warner Brothers, Aveda, and most recently, Johnson & Johnson. In fact, today marks the third anniversary of Chris's role as chief design officer at J & J. And as promised some speaker today will talk about K-Y Jelly. I suspect we're very close. [Audience laughter] He's here to remind us that we all have a role to play in sustainability, so please welcome Chris Hacker.

[Applause and music]

Chris Hacker:

Now you all have to swivel your heads this way 'cause I'm talking from this podium. Now we'll see if we can get this to come up. Ok, so good morning. Nice to see you all. I'm really happy to be here. As Tom said it's the third anniversary of my joining Johnson & Johnson, where, at the time I joined the company I was employee number one and only of Global Strategic Design Organization at J & J. I'm gonna talk a little bit about that as well. And the last time I was on this stage at Gain was about four years ago, which was a much smaller group. It's really exciting to see that this conference has grown and become what it is. And I was representing a company called Aveda. And most of you will, if any of you were here, how many of you came to that at that point? You'll remember I made you rub somebody's back. I'm not gonna do that today cause we at Johnson & Johnson don't -- no we actually do touch people but [Audience laughter] in any event -- and you'll hear more about that in a little bit. The logic of what I want to tell you about is the journey of joining a company where design was not part of the infrastructure of the business. With the exception of about eight or ten people who worked on production in the basement of a building in Skillman, New Jersey, and six people who worked in Neutrogena cosmetics in California, there were no designers at Johnson & Johnson when I joined the company, at least the consumer-products group. And I wanna tell a little bit about the story of how we got there and what the logic was for bringing design to J & J. Johnson & Johnson, as you all know, is a very well-respected, very large business that is in the business of making pharmaceuticals, medical devices like stents for hearts and hip-replacement parts and knees. And in the consumer-products side things like Band-Aid and Johnson's Baby Shampoo. How many of you were bathed in Johnson's Baby Shampoo when you were a baby? Almost everybody in the room, which is, I have to say, one of the most amazing things about working for a company like J & J is taking on these brands that have such emotional content for most people in the world. And so that's really what interested me in the job in the first place. But as I said, there were no designers there. The logic of the design process at Johnson & Johnson was, somebody said earlier and I think it might have been -- I'm not sure, I can't remember exactly who said it -- but one of the

things that was said was that the interns, I think it was Grant who said the interns were making decisions about trend and about design. And in the case of Johnson & Johnson all of the design decisions officially within the company were made by the most junior marketing person, who is called APD, an Associate Product Director. Those are the people who are right out of business school and who have the least experience, the least experience in the design certainly and the least experience with the brands that they were working with. Now on one hand, it was notable because there was some logic about the creativity coming from people right out of school who are, to Grant's point, a little more, you know, emotionally disconnected from the way things are at our company. However, they were really not logically connected to the way things are at our company, which meant that the design process was one of churn. Now I know we probably have a lot of consulting firms and people who work for consulting firms in the audience. Raise a hand if you have ever worked on a Johnson & Johnson project in a consulting capacity, and actually it's less than I thought, it might be 'cause we have worked with hundreds of firms over the years. All of that design work that got done by these most junior marketing people was done with outside consulting firms. And every project was treated separately. In very few cases were there a consultant that was hired to do work on design on a particular project where that was an ongoing relationship. There weren't very many, there were a few but not very many "agency of record" kind of relationships, which meant that every time an APD -- oh one other thing I should mention our Associate Product Directors move every 18 months. They change their job every 18 months. Now we all know that every project that ever gets started by a marketing department takes more than 18 months, right? So in the case of Johnson & Johnson, the APD would start the project. They would hire firm B and firm B would do the work and they would present it to the APD and the APD would take it to their boss and the boss would say, "We can't make it purple. What are you thinking? That's not our brand." And so they would start over and that process would mean that they would get a design idea started but then the APD, if they were good at what they did, got moved to their next job and the new APD came in and said, "Oh, I don't like this design firm B. They're too uppity and they've told me that my, you know, the predecessor had the wrong idea and we ought to do something else." And so they hire design firm C which meant that we had this thing called churn. So I want to step back just a little bit. This is something that is part of work that we did about a year and a half ago in integrating the purchase of the Pfizer Corporation consumer products business into the Johnson & Johnson business. We changed the way we thought about what the business was. Used to be called "Consumerizing Science," which seems really sort of dumb to me and not very consumer friendly. So we changed that to "Bringing Science to the Art of Healthy Living" and that's what we think we do as a company. So we've talked about the engaging design in the company. You know, we went from this idea of all consultants all the time, at a price tag I have to tell you that was astronomical.

So the company was spending millions and millions of dollars on this idea of churn, which was not an easy thing and they made a decision that -- after two interesting things happened. One was that the group that leads the company, which is called the GOC, it's the Group Operating Committee, would meet every year and talk about strategy and one of the ideas that they did was that they said, "What are we good at? What are the things we're good at? We'll list those. And what are the things we're not good at? And we'll list those." J & J being a science company, they were very good at the R & D part. They were very good at the kind of big-picture capital M marketing of products. They were very good at the sales and operation side of getting things made and getting them to market. And on the not-so-good side, every year for five years, there were a couple of other things but the big one was design. And in fact some of the people within that committee weren't even sure what that meant. What is design, what should we be doing, how do we do that if we don't understand it? The second thing that catalyzed getting design at Johnson & Johnson was that Colleen Goggins,

the woman that's the chairman and my boss of the company, had lunch with the head of marketing for Target. And the head of marketing for Target -- anybody here from Target? Probably are. Target's a great company, thinking about design in every way they do their business. And he said to Colleen, "By the way, if you guys don't get your design act together you're gonna lose position in our stores." And when you say that to the chairman of the consumer-products division she sits up and pays attention and she did. And she made a decision that we would begin this process of getting design.

Through a long process they ended up finding me and we went from that idea of consultants all the time to a full-time design partnership group within the company that works closely with the marketing groups and I'll talk a little bit more about that. The one thing I want to tell you is it hasn't eliminated the need for consultants. We use lots of them. But now the consultants talk to the designers and not the marketing people and we as designers talk at a different level, as well, which I'll talk about a bit, as well. Now I don't know how you feel about this, but I believe marketers are really from Mercury and somebody earlier in the day talked about the Venus thing and I'm sorry, I'm, you know, sort of using that idea but it is true in this case as opposed to maybe that case, marketers are from Mercury. They're interested in fast, do what I tell you, don't slow down, just get it done, we gotta get this thing to market, right? That's the way they think about it. Designers, we're all from Pluto. We're on a much more elliptical orbit around some, maybe not even the sun [Audience laughter] and we're more interested in having a kind of idea about something and thinking about what the problem is rather than leaping to solving the problem we've been presented with. Does that sound logical to you guys? So when I got to J & J they said, "You know, we have this process." "We do a design brief and then we finish the product". [Audience laughter] And there was this straight line, no questions asked, you just have to get this done. When I analyzed the system it was a little more complicated. So the idea here is that what we needed to do was take this logic of getting from a design brief to a final thing and make it in a more logical way. And what we wanted to do was create transcendent consumer experience. And what I mean by that when I say that is that we want the consumer to have such a great understanding of what we're trying to bring to them that they are forever in our emotional debt and are interested in coming back to see what we do again and again and again. Now as, you know, probably Apple is the company that everybody talks about in this way and all of us are the, you know, the kind of proto-Apple consumers where, you know, Apple creates a transcendent experience for us as consumers and we -- you know, I don't know about you, but I have every product Apple's ever made. I've spent more money on Apple stuff because I give them the benefit of the doubt, because every time I try one of their products I have that kind of experience. Does that make sense? So we're really working towards creating that. Now I think there was also another presenter who used an org chart and I'm showing this because I think it shows the difference about how we're thinking about design. Because we were not an existing organization and I had the opportunity to script it from scratch, I said a couple of things to Colleen, my boss who's the chairman up there at the top. I said to her, "There are three things that are deal-breakers for me about doing this." One is that it needs to be in New York City. Johnson & Johnson is headquartered in New Brunswick, New Jersey. The consumer-products division is headquartered in Skillman, New Jersey. Skillman is a lovely place. There are lots of beautiful corn fields and deer running around. The building that the company owns there is an I. M. Pei building that was built in 1980, gorgeous but it's in the middle of nowhere. And I knew that I needed to get a different kind of culture going for this company and I've now referenced it twice, I'm gonna reference it a third time, I love the idea of culture as design driver. We're doing it. We just haven't driven it from those words. Trust me, on Monday morning we're gonna start talking about it that way 'cause that's what it's about. So not being in Skillman, New Jersey, and trying to hire designers to come to Skillman, I'll apologize to anybody who lives anywhere outside of New York for thinking it's

not possible to have a design culture there, but I already had too many hurdles to get over to try and build a design team without having to build it somewhere where I had trouble getting people to go. That was number one. Number two was that I needed to report to her. That I was not going to come into the organization and report to the head of marketing or the head of operations or the head of R&D or anything else. I wanted to report to her. So you'll notice that I report to the chairman. My peers are the company group chairman and what they are are the leaders for the individual businesses. We did that so that we have a dialogue and it allows me to sit at the table and say, "No that's not the right problem. We need to solve a different problem than you're describing when you bring us a design project." You'll notice also then that the creative directors are on the level of general managers. This was a big change. If you'll remember before, all design came out of there. That's where the designers were hired and that's where they reported into. And what we did was elevate the process so that they're at the top. Now I'm not talking about this to tell you, "Boy, my ego is really stroked by the fact that I get to report to the chairman of the company," although that's cool. I say that because designers need to be at the table at the senior levels of companies or we lose the opportunity to make a difference in what happens there. [Applause] Me too. So, you know, I have to say I was incredibly lucky to find the right person at the right time to say that to and she said, "Ok, let's do that." Oh by the way, the third thing was, I told you there were three -- the third thing was I had to have Macintosh computers. [Laughter and clapping] You laugh, you laugh. I found out in the interviewing process that Johnson & Johnson is the single largest purchaser of Microsoft software on the planet. Our friend from Microsoft over here [Audience laughter] -- my apologies, it just doesn't work for us. So I said that to her and she wrote it down in our first interview and in our second interview she said, "You know, the first two are completely possible. No problem, we'll do it in New York, wherever you want and you can report to me, I don't care. Whatever makes this work." "But this Microsoft versus Mac thing is gonna be a problem." [Audience laughter] And so I had to -- literally we spent a year getting us on the system within the company and, in fact, many of us today still have two computers cause we have to do systems that don't talk to Apples. Anyway, you'll notice in this picture they're all Macs all the time.

This is our studio at 601 West 26th. It's called the Starrett-Lehigh building. Many of you will know it from Martha Stewart land. It's also the headquarters of Martha Stewart. In fact, I know there's a presentation this afternoon with Gael and they'll talk about that. I should also mention her husband Stephen, who does a lot of work with Martha but also does a lot of work with us. So what we have at J & J are iconic brands. We all remember the Johnson's Baby Shampoo we used and loved as a kid. And you know, one of our first projects was to do a very simple facelift graphically. That's what it looks like today. Sales are up, which is a good thing 'cause everything that I do is measured against how we're selling something. And if it isn't in your goal as corporate designers, if you work for corporations or if you are consultants for corporations, don't let anybody fool you. It's all ultimately about the bottom line. And while I don't love that either, it's what you have to do in order to get your work done. We also do things like Johnson's First Aid. This was designed by Harry Allen who's a really good industrial designer and does great work. We most recently, about a year and a half ago, launched Rembrandt. We did this project in about six months. And to the point I made earlier, I want to tell you about a failure. This project was something that we all believed we should do very quickly and we got it into market very quickly and it was a disaster from a marketplace point of view because we didn't change the formulas at the same time that we did the packaging. And that meant that people tried it 'cause it looked great and we did a lot of wonderful advertising around it, but when they tried it it was the same old crappy -- excuse me, I didn't say that. [Audience laughter] Sorry, I hope there's nobody here recording this for my boss. [Audience laughter] No, anyway, she actually would say the exact same

thing. It was a disaster and you know what? We all learned lessons from it and we're going there to change it. You'll see some changes.

Somebody mentioned this earlier. I want to talk about this briefly because, and by the way, I know many of you have come here to hear me talk about environmental stuff. I'll get there but I wanted to kind of set the stage for where we were. This is K-Y Jelly. K-Y was invented as a scientific formula by Johnson & Johnson 50 years ago to be used in doctor's offices, usually involving one of those. [Audience laughter] And the idea of being examined using K-Y, you know, is nobody's dream but somehow -- and I think it actually, this is my theory of what happened, I think doctors and nurses got together and went into the supply room and you know on the shelf was K-Y... you can fill in the rest. [Audience laughter] So to Johnson & Johnson's credit I love this story because these people, you know, Johnson & Johnson is a very conservative -- particularly in the days when this was going on. It's a very socially conservative company that thinks about its image in a big way. We're all about babies. We don't wanna be, you know -- we're mom. You know, apple pie comes into the equation, all kinds of things. They decided, because this underground thing was happening where K-Y was getting mentioned in porno films -- I'm not kidding -- they said there's a use here. Let's figure out what to do with this use. So they began developing versions of K-Y that had tingling and that were warming, you know. Never quite saying, "What are we gonna -- you know, doctors aren't really needing it to be warm." [Audience laughter] You know, not part of the real equation. So they did that. It was hugely successful. And along came my team, Elan Cole, who I think is up there in the balcony, was actively involved in this project. He's a great designer. He came from the Museum of Modern Art. I'm thrilled to have him as part of our team. He joined the company, did a couple of projects very quickly that happened kind of overnight, this being one of them and we took this idea of K-Y being something for the bedroom, we took it to the bedroom. A more romantic, almost cosmetic kind of quality about it and, oh by the way, it sells for \$15 bucks. All the other KY is under \$10 bucks. And it has been a wild success. This is called Intrigue. I encourage you to try it. [Audience laughter] It's a great product. Our marketing friends and their R&D and research partners were doing some work on this idea of, you know, maybe there's a way that you give something to the man, something to the women and make it one product and it does something exciting, which I'll tell you more about in a bit. And they did a whole bunch of market-research concepts. These were the concepts. I repeat: we did not design these. But this is the kind of work that, you know was being done at J & J at the time. We began a design process where we started talking about, "Well what could it be? Could it be two bottles that fit together? A little case that holds a couple of things?" We kind of hit on the idea of test tubes being the idea that worked. This is, my favorite part of this is the name, Double Happiness, which sounds vaguely like a Chinese food but [Audience laughter] it was the beginning of Mine and Yours which turned into Yours and Mine. The product containers are shown here and are literally test tubes and the idea is they kind of click apart and it's a cool thing. And we ultimately came to this as the packaging. Now half of the battle in the process of communication, I haven't talked about this much. We're responsible not just for packaging but for broad brand identity. The idea brand identity is in this. These are, I'm gonna show you a couple of commercials from K-Y that we were actively involved with as well, for this product.

[Cue first commercial]

>> Ok so we like you know like to

>> We don't usually talk about this.

>> We use...

>> ...K-Y Yours and Mine.

>> Yeah right.

>> This one has like an awesome sensation for me.

>> And this one --

>> This one, it does like cool things for him.

>> Yeah, thank you.

>> And when the two combine... [Drums and cymbals play]

>> Two products, together one amazing reaction. New K-Y brand Yours and Mine.

Chris Hacker:

I'm gonna show you one more of these and then we'll move on.

[Cue second commercial]

>> We lead very busy lives.

>> Very busy.

>> So we have to schedule our meetings.

>> The last one was January the 14th

>> 3pm.

>> It was very productive. Very, very productive.

>> And always on the agenda is KY Yours and Mine.

>> This one has an exciting sensation for me

>> And this one feels fantastic...

>> And when they combine they [Music]

>> Two products, together one amazing reaction. New KY brand Yours and Mine.

[Applause]

Chris Hacker:

So there are a bunch more of those. I wish I could show you all of them but I don't have time. I'm already out of time, so the light is blinking here so we'll keep going.

[Audience laughter]

The other thing that we do at J & J -- I'm ignoring it. No I'll get back on track and get it done quickly here. We focus on sustainability and it's, as many of you know who know me know that I'm, this is a topic I've been involved in for a long time. I believe that we as designers, I'll get this out so I at least say this, we as designers have the power to change the way companies make products and live their lives on planets. And this planet needs us to do that now and if we as designers get into the idea that we can change things, we can literally change things. One of the things that I love about Johnson & Johnson is that they have this thing called The Credo which was written in 1942. Was written by General Johnson, who was the grandson of the founder, and it talks at the top about responsibilities and our responsibilities to doctors and patients and consumers. The second part is responsibility to the employees. The third part is about responsible to the communities in which we live and to the environmental footprint of the company and taking care of the resources and the fourth point is, oh by the way, we should make a profit. The cool thing about this is, first of all 1942 this was written and it means that the company for all those years has been very good about taking care of the planet and doing things that are the right things. It is frankly the reason I joined the company. I saw the opportunity to go from a beta where we had an environmental footprint that was probably one of the best around but was this big, to a company that has the power, we're not there yet but we're getting there, to do an environmental footprint that is much bigger and much better in the process. So we believe that there are, you know, a triple bottom line that we take care of doctors, patients and nurses, that we take care of the environment, and oh by the way, we pay the stockholders a fair return.

We as designers are pouring stuff into the world. What we do as our jobs is to design stuff. I just showed you a bunch of K-Y stuff and a bunch of other stuff and guess what, ultimately it ends up there. It goes to a landfill, so what we have to do as designers is figure out how to do a better job of that. And the cool thing is that economic responsibility and -- or, environmental responsibility and economic success are not mutually exclusive. We can do both of these. And if we do them from the beginning of the process we can do it well. So I'm gonna hit a couple of these really quickly. Weight reduction, we at -- and these are the things that you as designers in your companies can suggest. So we said, "Oh why don't we make the Listerine bottle 30 percent lighter than it is now?" We'll use 30 percent less plastic and, oh by the way, it's a journey 'cause the next thing we do is we're gonna figure out how to use recycled material or some biodegradable material to make this bottle out of. But if we can right now make 30 percent less plastic part of that bottle then we're doing the right thing. That's what we did with this. The next one is about using those post consumer recycled stuff. We developed a line for Aveeno that uses post-consumer recycled content. The bottles are 30 percent post-consumer content. The packaging is all made from 100 percent post-consumer paper. Also all of our business publications are now made from at least NSC certified papers and, where we can, 100 percent post-consumer papers. We're also all about sustainable material and energy. This is one of the cool things about J & J is that they've done this for years. This is a solar field outside of that building I mentioned in Skillman, New Jersey, that supplies about 75 percent of the power for the building. And we make things, Stephen Doyle who is in the audience, designed these for us. You're getting a sneak peek of something that probably will never make it to market but we're working on it. This is for Band-Aid and some new packaging we're doing. The cool thing is we've converted all of our packaging to FSC certified material and over the next couple of years we'll add post-consumer to that as well. This is a picture of our development director in a forest that is grown specifically to make Band-Aid packages in Brazil. This way we're not cutting down rainforests to get paper. We're saving 26, 592 old growth trees every year by doing this. [Applause] So making things reusable, don't applaud. This is what we as designers should be doing for everything we do and I'm happy that you're happy we're doing it, but I would be much happier if you would take what I'm saying seriously and go back to your jobs and ask your companies to do these

kinds of things. We also are working on things that are usable. This is a Band-Aid package for Costco actually made from plastic and there are pods which we think will stick around in people's homes for years and years and years 'cause they'll get reused. Everybody, you know, everybody as a kid remembers having Band-Aid metal tins, which I personally had all my marbles in as a kid and I had it for years, in fact I think I still have it which is a little frightening. But that's the idea of that. We're also working on biodegradable materials, which doesn't work on every product but it works on baby oil so soon you'll have a baby oil that's made from cornstarch material rather than oil-based material. So I'm asking you to add one paradigm to your design process and that's the planet. Think about it as you do things and make informed decisions. Bring your bosses and clients along as you do it and help me hug some trees.

[Applause]

Thank you.

[Applause]

Tom Kelley:

So Chris, I don't know if you were around yesterday when I said, you know, that AIGA conference just like "Saturday Night Live" comes live from New York and they have more of a script than we have and so did anyone else notice that Chris was 25 minutes into a 25 minute talk before he actually touched on the topic that I said he would talk about [Audience laughter] which is our inability. So anything can happen and probably will. So you almost got to but I don't think you actually said the two words Design Accord. Would you --

Chris Hacker:

Thank you for reminding me.

Tom Kelley:

-- like to elaborate?

Chris Hacker:

Yes, Design Accord is an organization that has been established very ad hoc to register design companies and design individuals to commit to being involved in environmental issues in the context of their job. Go online, Designaccord.com I think or dot org probably. Please, please sign up. J & J's, our facility in New York is a member of the group. I'm working on getting all of J & J to be part of it but I can at least start with the design team. So we're part of that. It's a great thing. It asks you to do very simple stuff that will help get to the right place, environmental stuff. Thanks.

Tom Kelley:

Yeah, Valerie Casey, now at IDEO, was one of the creator's of that back when she was at Frog Design. So in the 41 seconds remaining [Audience laughter] there was two questions I was dying to ask. I'll go with the obvious one which is, ok K-Y, about K-Y. One, you know you on the concepts of every IDEO brainstorm eventually somebody gets to the McDLT option, you know. Hot side hot, cold side cold and you put them together at the last minute, you didn't have that concept?

Chris Hacker:

No.

Tom Kelley:

But no the real question is --

Chris Hacker:

Cold is not so good with sex.

Tom Kelley:

Yeah, there you go. The real question is anthropology? I mean are you...?

Chris Hacker:

Yeah we're deeply engaged in that. It's interesting, Elan I think yesterday in his presentation talked about the work we did to get to the process. And Elan had the enviable job of traveling around the world interviewing people who were involved with sex. So if you think about that, that's, you know, married couples who are having sex and maybe not-so-married couples who are having sex, but also maybe sex workers somewhere and also maybe a process that talked to people who are engaged in a way that, IDEO uses the term I think "power user," or -- read into that what you will -- but the idea was to interview and observe and understand what people are doing when they're in the bedroom and ask their opinions. We're doing a larger K-Y renovation, which you'll hopefully see in the next couple of years. Stay tuned and run right out and buy that. It's a good product.

[Audience laughter]

By the way, one thing I didn't mention about it, it's the number-two SKU in the United States in Johnson & Johnson consumer products over the last three months. That follows, we launched a product called Zyrtec which is an allergy product, that was number one and this was number two, amazing. A lot of people having sex out there.

[Audience laughter]

Tom Kelley:

Ok well thanks very much.

Chris Hacker:

Thanks very much.

[Applause and music]